

ASSEMBLY BILL

No. 311

Introduced by Assembly Member Honda

February 8, 1999

An act to amend Section 22200 of, and to add Section 22200.1 to, the Education Code, relating to the State Teachers' Retirement System.

LEGISLATIVE COUNSEL'S DIGEST

AB 311, as introduced, Honda. State Teachers' Retirement System: board.

Under existing law, the State Teachers' Retirement System and the State Teachers' Retirement System Cash Balance Plan are administered by the 12-member Teachers' Retirement Board. Two of the members of the board must be members of the system or the plan, who are classroom teachers in kindergarten or grades 1 through 12, and another member must be a retirant of the system or the plan. All 3 of these members are appointed by the Governor for 4-year terms from a list submitted by the Superintendent of Public Instruction. Another member of the board is required to be a community college instructor with expertise in business or economics or both, and is appointed by the Governor for a 4-year term from a list submitted by the Board of Governors of the California Community Colleges. One member of the board is required to be an officer of a life insurance company and one member of the board is required to be an officer of a bank. These members are appointed by the Governor for 4-year terms, subject to confirmation by the Senate.

This bill would, instead, require that 5 members of the board be elected, at an election conducted by the Secretary of State, by the members of the group to which they belong, for 4-year terms commencing upon the terms in existence on January 1, 2000. The bill would require three elected members to be classroom teachers in specified grades, one elected member to be a community college instructor, and one elected member to be a retired member. The bill would delete the requirement that 3 members must be, respectively, officers of a life insurance company, a bank, and members of the governing board of a school or community college district and instead provide that the Governor appoint 3 persons representing the public for 4-year terms, subject to Senate confirmation.

This bill would require the board to adopt regulations regarding these elections, and would exempt the regulations from the requirements of the Administrative Procedure Act.

This bill would permit the board to establish a full-time position to implement the regulations and would require costs of elections to be paid by the Teachers' Retirement Fund as appropriated in the annual Budget Act.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. It is the intent of the Legislature in
2 enacting this act that the elections for positions on the
3 Teachers' Retirement Board be conducted as cost
4 efficiently as possible.

5 SEC. 2. Section 22200 of the Education Code is
6 amended to read:

7 22200. (a) ~~The plan and the system are administered~~
8 *is managed* by the Teachers' Retirement Board. The
9 members of the board are as follows:

- 10 (1) The Superintendent of Public Instruction.
11 (2) The Controller.
12 (3) The Treasurer.
13 (4) The Director of Finance.



1 ~~(5) One person who, at the time of appointment, is a~~
2 ~~member of the governing board of a school district or a~~
3 ~~community college district.~~

4 ~~(6) Three—Four~~ persons who are ~~either~~ members of the
5 Defined Benefit ~~Program~~ *Plan* or participants ~~in~~ of the
6 Cash Balance Benefit Program, as follows:

7 (A) ~~Two—Three~~ persons who, at the time of
8 ~~appointment~~ *election*, are classroom teachers in
9 kindergarten or grades 1 through 12 ~~and are active~~
10 ~~members of the system or participants of the Cash~~
11 ~~Balance Plan. These members shall be elected pursuant~~
12 ~~to regulations adopted by the board by the active~~
13 ~~members of the system or participants of the Cash~~
14 ~~Balance Plan for four-year terms commencing upon the~~
15 ~~expiration of the terms in existence on January 1, 2000.~~

16 (B) One person who, at the time of ~~appointment~~
17 ~~election~~, is a community college instructor ~~with expertise~~
18 ~~in the areas of business or economics or both business and~~
19 ~~economics and who shall be appointed by the Governor~~
20 ~~for a term of four years from a list submitted by the Board~~
21 ~~of Governors of the California Community Colleges.~~

22 (7) ~~One person who is either a retired member under~~
23 ~~this part or a retired participant under Part 14~~
24 ~~(commencing with Section 26000).~~

25 (8) ~~One officer of a life insurance company who shall~~
26 ~~be elected by the active community college members of~~
27 ~~the system. This member shall be elected pursuant to~~
28 ~~regulations adopted by the board, for a four-year term,~~
29 ~~commencing upon the expiration of the term in existence~~
30 ~~on January 1, 2000.~~

31 (6) ~~One member who is a retired member of the~~
32 ~~Defined Benefit Plan or a participant receiving an~~
33 ~~annuity under the Cash Balance Plan elected by the~~
34 ~~retired members of the Defined Benefit Plan and the~~
35 ~~participants receiving an annuity under the Cash Balance~~
36 ~~Plan. This member shall be elected pursuant to~~
37 ~~regulations adopted by the board, for a four-year term,~~
38 ~~commencing upon the expiration of the term in existence~~
39 ~~on January 1, 2000.~~

(7) Three persons representing the public, appointed by the Governor for a term of four years, subject to confirmation by the Senate.

~~(9) One officer of a bank or a savings and loan institution who has had at least five years of broad professional investment experience handling various asset classes such as stocks, bonds, and mortgage investments and who shall be appointed by the Governor for a term of four years, subject to confirmation by the Senate.~~

~~(10) One person representing the public, appointed by the Governor for a term of four years, subject to confirmation by the Senate.~~

~~(b) The members term of the board office of each member described in paragraphs (5) and (7) and subparagraph (A) of paragraph (5) and (6) of subdivision (a) shall be appointed by the Governor for four-year terms from a list submitted by the Superintendent of Public Instruction adjusted so as to commence on January 1, and to expire on December 31 of the calendar year.~~

(c) The members of the board shall annually elect a chairperson and vice chairperson.

SEC. 3. Section 22200.1 is added to the Education Code, to read:

22200.1. (a) The Secretary of State shall conduct the election of members described in paragraphs (5) and (6) of subdivision (a) of Section 22200 pursuant to regulations adopted by the board. The board shall reimburse the Secretary of State for all services performed in conducting the election.

(b) The Secretary of State shall hold special elections to fill vacancies that occur during the term of the elected members of the board. If, at the time a vacancy occurs, the unexpired term is less than two years, the new member elected to fill the vacancy shall hold office for a period equal to the remainder of the term of the vacated office plus four years.

(c) The regulations adopted by the board pursuant to this section and Section 22200 shall not be subject to

1 Article 3.5 (commencing with Section 11340) of Part 1 of
2 Division 3 of Title 2 of the Government Code.

3 (d) The regulations adopted by the board shall
4 provide that the elections be conducted in the most
5 cost-effective manner deemed feasible. The board,
6 where practicable, shall consolidate election mailings
7 with other mailings and shall address any other feasible
8 cost-saving measures.

9 (e) The board may establish a full-time position, as
10 required, to implement this section.

11 (f) All costs of elections shall be paid by allocations
12 from the Teachers' Retirement Fund as appropriated for
13 that purpose in the annual Budget Act.

